GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1252
ANSWERED ON:26.11.2002
MANGANESE ORE INDIA LIMITED
VIRENDRA KUMAR

Will the Minister of DISINVESTMENT be pleased to state:

(a) Whether the Government propose to go ahead with the strategic sale of 51 percent equity in Manganese Ore (India) Ltd. with the transfer of management control to the strategic partner(s);

(b) if so, the details along with terms and conditions thereof;

(c) whether the interests of the workers have been taken into consideration before taking such decision; and

(d) if so, the steps taken/proposed to be taken for the rehabilitation of the workers?

Answer

MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINISTE COMMERCE & INDUSTRY (SHRI ARUN SHOURIE)

(a) & (b) Government has decided for strategic sale of 51% equity of Manganese Ore (India) Ltd., in favour of a strategic partner with transfer of management control, retaining 26% equity after reserving the balance 4.57% equity for employees. The Government has also decided that bid by management-employees of the company, in partnership / collaboration with a venture capitalist or a Financial Institution or a Bank, will be considered at the appropriate stage if the legal entity so formed is qualified to bid and make a competitive price offer.

(c) & (d) Protection of the interests of the employees is an integral part of the disinvestment policy. This is ensured by making appropriate provisions in the Shareholders / Share Purchase Agreements entered with the concerned Strategic Partner at the time of disinvestment such as for protection against retrenchment for specified periods, compensation in case of rationalization of work force for specified periods at specified rates, employee share purchase schemes.